

IN THE MATTER OF )

Sergeant Bluff-Luton Community )  
School District, )  
Public Employer, )

and )

Sergeant Bluff-Luton Education )  
Association, )  
Union, )

CEO #531/1

ARBITRATION  
AWARDRECEIVED  
2007 JUN 18 AM 8:54  
IOWA PUBLIC EMPLOYMENT  
RELATIONS BOARDAppearances:For the EmployerJames C. Hanks, Attorney  
Richard Caldwell, Superintendent  
Susan F. Mohr, District Secretary  
Rod Earleywine, MS Princ /incoming supt  
Mark Reinders, VP SBL School Bd.For the AssociationBruce Lear, UniServe Director  
Myron Halverson, UniServe Director  
Brenda Zahner, Association President  
Roberta Huju, negotiation team  
Max Boustead, negotiation team  
Connie NolanBACKGROUND

This matter comes before the Fact-finder pursuant to Iowa Code Chapter 20.

The Employer and the Association have engaged in negotiations and mediation, but were unable to reach a voluntary agreement on the impasse items wages and leaves of absence.

The Arbitration hearing took place on June 1, 2007 in Sergeant Bluff, Iowa, pursuant to the parties' voluntary agreement. Both parties had the opportunity to present all the evidence in support of their bargaining proposals. The representatives did an excellent job of presenting their evidence and the well-organized exhibit notebooks from both parties were much appreciated by this Arbitrator.

## IMPASSE ITEMS

### **Wages:**

#### Employer Final Offer

\$623 increase to base (4 4% Total Package)

#### Union Final Offer

\$800 increase to base (4 9% Total Package)

### **Leaves of Absence**

#### Employer Final Offer

#### *Article 10 – Leaves of Absence*

Status Quo

#### Union Final Offer

Add New Section 10  
**Partially Paid Medical Crisis or  
Condition Leave**  
(Re-number remaining sections in the  
Article)

**A serious medical crisis or condition  
shall be defined as a life-threatening  
and/or chronic illness as defined by the  
Family Medical Leave Act (FMLA).  
The employee shall provide appropriate  
medical documentation to the School  
District.**

**Employees who meet the qualifications  
above, who do not qualify for long term  
disability leave as per Article 13 of this  
Agreement, and who have exhausted all  
other paid leave benefits, will be  
provided, upon request in writing, long-  
term partially paid leave with the actual  
substitute salary costs being deducted  
from his/her salary for each day he/she  
is absent from work.**

## FINDINGS OF LAW

The Iowa Code instructs interest arbitrators to comply with the standards provided in Iowa Code §20 22(9):

The panel of arbitrators shall consider, in addition to any other relevant factors, the following factors:

- a. Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.
- b. Comparison of wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved.
- c. The interests and welfare of the public, the ability of the public employer to finance economic adjustments, and the effect of adjustments on the normal standard of services.
- d. The power of the public employer to levy taxes and appropriate funds for the conduct of its operations.

## FINDINGS OF FACT

This bargaining unit represents teachers who work for the Sergeant Bluff-Luton Community School District. The Sergeant Bluff-Luton (SBL) Community School District is a growing school district. There are currently about 1378 students enrolled. Since 1997, the SBL enrollment has increased about 15.5%. On the other hand, other districts in the area, particularly the districts historically included in this district's comparability group, have generally had declining enrollment, as families in this state appear to be moving away from rural areas and into metropolitan areas and suburbs, or "bedroom communities" like Sergeant Bluff.

The SBL District is a well-run district and historically financially healthy. There have been issues with the budgeting this year caused in part by the significant growth and

caused in part by a disastrous fire last school year that destroyed SBL's entire fleet of school buses.

### ARBITRATION AWARD

#### Comparability Group

The parties agree that the past-established comparison group is no longer appropriate for this unit. The District points out that the parties have actually used a variety of comparability groups in the past, but that the constant feature of the group was that it included the school districts in the northwest Iowa geographic area. The former athletic conference has been consolidated with another conference, but because SBL's growth has been so great since the parties first started bargaining in 1976, there remain only two districts in the AEA 12 group that are of similar size to SBL. Both parties proposed a different comparability group. The District proposes a group including districts with a student population of between 1000 and 2000 and within a 150-mile radius of Sergeant Bluff. The Association proposes a group consisting of Iowa districts with a student enrollment of 900 or more with an increasing student population during the last 10 years, which includes the communities adjacent to the larger metropolitan areas of Des Moines and Cedar Rapids, Dubuque, and Gilbert, a community near Ames.

My instruction from Iowa Code § 20 22(9) are to "give consideration to factors peculiar to the area and the classifications involved," which would suggest that the more appropriate comparability group is the one proposed by the District. In using that group, however, I am to compare "wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work." Iowa Code § 20 22(9). The problem with using the District's proposed group is that there are few

districts in the area with as much allowable growth as SBL. It appears in District Exhibit C-1 that only MOC-Floyd Valley (4.51%), Shenandoah (4.24%), Spencer (4.62%), Spirit Lake (6.56%) and Storm Lake (7.28%) have as much or more new money as SBL (4.20%) this year, and Red Oak (3.69%) and Carroll (3.04%) are the next closest. The average new money for these districts is 4.77%. The average of all members of the group proposed by the District is 3.07%. The average of only the members of the District's proposed group with positive new money is 3.51%.

The group proposed by the Association also contains data that tends to skew the numbers. For example, Johnston has seen 8.2% allowable growth for 2007-08 (Association Exhibit 40, p. 10), and a 60.1% increase in student population since 1997 (Association Exhibit 22). Waukee's student population has increased a whopping 199.3% since 1997, but its 2007-08 new money figure seems to have been omitted from Association Exhibit 40 (labeled "State" p. 6). Looking at the Association's proposed comparability group, Association Exhibit 40, p. A, which also omits Waukee, there is not one school district below SBL in regular program increase/allowable growth, and three are in the double digits.

My conclusion, therefore, is that even though SBL is a growing community and not completely similar to the other communities included in the District's comparison group, because of the geographical proximity and other factors, the District's proposed group appears to be the more reasonable and appropriate group to use at this time. District Exhibit B-1, p. 2.

## Wages

### **Position of the Parties**

The Association argues that the District is clearly able to pay a higher wage increase this year. The Association is seeking an average wage increase and, coupled with the insurance changes that have already been agreed upon, an average total package increase. There is only a \$30,150 difference between the Association's offer and the District's offer, compared with an annual budget of \$7 million. More than one-half of the teachers in this unit are at the maximum step of the pay schedule. The District's offer is below the average settlements agreed to by the districts in the Association's proposed comparability group. The District's offer will cause the teachers to lose ground in relation to the comparable districts. The Association is not seeking to increase this unit's relative ranking among the comparable groups. It is simply seeking an average settlement.

The District argues that its wage offer is average among the comparable districts and that the Association's offer is above-average. The District points out that the teachers in this unit are well-compensated compared with other units in the comparability group. There is no need for this unit to catch up with the comparable units in terms of salary or total package. This unit's salary is high at all benchmark points. The District's position is at the low end of the average range of settlements for this year, but other financial needs justify the District's proposal. The District does not claim inability to pay, it simply argues that the wage offer is reasonable and leaves room for covering other serious financial needs, including the need to improve technology and curriculum, and such basic needs as books, to students. Furthermore, there are other employees who are not included in this unit. The Association's offer uses up most of the new money for this year. The mission of the District is to educate students, not employ teachers at the highest pay in the comparability group, and the District's

offer is based on that premise. The District needs to allocate its limited resources equitably to all its needs.

### **Discussion**

Both offers presented by the parties are reasonable when the factors in Iowa Code §20 22(9) are considered. I have the extremely difficult job of deciding which offer is more reasonable. What makes this decision even more difficult is the fact that the comparative data introduced by the parties measure different things. It is like comparing apples to oranges.

The average proportion of regular program increase (new) money to settlement dollars for SBL since the 91-92 contract year is 97.28%. Association Exhibit 39. The Association points out that its offer, at 95.70%, is closer to the historic average for SBL than the District's offer, at 85.54%. It would therefore appear that the Association's proposal is more consistent with the past bargaining history, at least when compared to the amount of allowable growth. It is not possible to do the same comparison across the comparability group because the actual dollar figures are not provided. The ratio of average total package increase to new money across the comparison group is 4.77% to 3.07%, District Exhibit C-1, compared with the Association's offer of 4.9% to 4.2% or the District's offer of 4.4% to 4.2%. The average TPI in the comparison group is 4.77%, compared with the Association's offer of 4.9% and the District's offer of 4.4%. Teachers at SBL are already paid well compared to the other districts in the group, so the Association's proposal would seem to improve that comparable position, but the Association's proposal is also closer to the average than the District's proposal. On the other hand, District Exhibit C-9 seems to show that the District's offer is closer to the average settlement increase for this school district since 2000 of 4.422%, although this figure does not include the past comparison to allowable growth.

I find that the Association's offer is more reasonable when the factors of Iowa Code §20 22(9) are considered. The Association's offer is closer to the average total package increase among the comparability group, although it is higher. The Association's proposal is also closer to the settlement when the amount of new money is similar to this year's figure of \$296,427, according to the District Exhibit C-9. It is more consistent with past settlements when compared with the new money in those years.

Iowa Code §20 22(9) also allows me to consider "any other relevant factors." It is reasonable to consider the fact that SBL is a growing district when comparing SBL with the other districts in the comparison group. A district with declining enrollment cannot truly be considered comparable in financial respects to a district with growing enrollment. Each will have its own set of problems. Thus, this distinction does merit some consideration, although not primary consideration, since it is not a specifically listed factor in Chapter 20. But where, as here, the proposals are both reasonable, both very close to the average increase among comparable districts, and there are districts within the comparison with declining enrollment, it is reasonable to take that declining enrollment into account and award the slightly higher increase to this growing district.

It is not without precedent to have a growing district in the same geographic area, and comparability group, as declining districts. It is less reasonable to expect a growing district with more new money to pay its employees the low end of average salary increases (when compared to the new money), even where that district's teachers are already well paid.



## Leaves of Absence

### **Position of the Parties**

The Association argues that the proposed Partially Paid Medical Crisis or Condition leave is clearly needed in this agreement. Teachers in this unit who face a medical crisis or condition face a period of time with no income until long-term disability benefits kick in. The provision would not cost the District any money. The proposed section allows the district to deduct the cost of employing a substitute teacher to cover the unit member's absence. There have been efforts for several years to get the District to agree to the change, but the District has been unwilling to even address the issue. The provision is not entirely unique, as there are at least two districts in the state with a similar provision. Labor arbitrators in the past in Iowa have been willing to award a new benefit where need is shown. The Association asserts that this is one of those situations.

The District argues that neutrals are in fact reluctant to add or change language provisions. The District is not insensitive to the plight of these two teachers, but the District wonders why it has to be responsible. The District provides long-term disability insurance, and employees are free to purchase short-term disability insurance on their own. The District insists that the Association needs to offer a reasonable quid pro quo for the new benefit.

### **Discussion**

It is true that neutrals are very reluctant to make changes to contract language that has been obtained through the give-and-take of negotiations. This would be particularly true of a new benefit. Clearly there are at least two teachers in this district who are in extreme circumstances. While some arbitrators might award a new benefit where a need is perceived, I am still required to look at Chapter 20 for instruction. There is no provision in Iowa Code § 20.22(9) that requires or allows the arbitrator to consider need exclusively in comparing final

offers of the parties. Comparability data, on the other hand, is specifically mentioned as a mandatory consideration.

The Association presented leave policies from two school districts that seem comparable to the one proposed by the Association. Association Exhibit 29. Only one of the two districts, Webster City, is within the comparability group selected above. The Association conceded that there are few contracts in the state with a similar benefit.

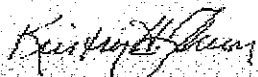
At this time, it is more reasonable to keep the Leave of Absence article at status quo. The comparison data does not support the Association's position.

#### **Arbitration Award**

Wages: Association Proposal - \$800 Increase to base, (4.9% Total Package)

Leaves of Absence: Status Quo

Dated this 14<sup>th</sup> day of June, 2007.



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Kristin H. Johnson  
Arbitrator

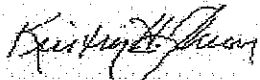
## CERTIFICATE OF SERVICE

I certify that on the 14<sup>th</sup> day of June, 2007, I served the foregoing Fact-Finder Recommendations upon each of the parties to this matter by emailing a copy to them at their respective addresses as shown below:

James Hanks  
100 Court Avenue Suite 600  
Des Moines, IA 50309  
JHanks@Ahlerslaw.com

Bruce Lear  
1119 Fourth Street Suite 213  
Sioux City, IA 51101  
BLear@isea.org

I further certify that on the 14<sup>th</sup> day of June, 2007, I will submit this Report for filing by emailing it to the Iowa Public Employment Relations Board, 510 East 12<sup>th</sup> Street, Suite 1B, Des Moines, IA 50319-0203



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Kristin H. Johnson  
Fact-finder